



# City of Pensacola

## City Council Workshop

### Agenda

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Wednesday, September 2, 2020, 4:00 PM

Council Chambers, 1st Floor

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**FY 2021 Proposed Budget**•Members of the public may attend and participate only via live stream or phone [cityofpensacola.com/428/Live-Meeting-Video](https://cityofpensacola.com/428/Live-Meeting-Video) or [facebook.com/PensacolaMayor](https://facebook.com/PensacolaMayor)

•Citizens may submit an online form here <https://www.cityofpensacola.com/ccin>

#### CALL TO ORDER

#### SELECTION OF CHAIR

#### DETERMINATION OF PUBLIC INPUT

#### DISCUSSION OF...

1. [20-00521](#) CITY COUNCIL WORKSHOP - FISCAL YEAR 2021 PROPOSED BUDGET

**Sponsors:** Jewel Cannada-Wynn

**Attachments:** [FY21 Budget Workshop Memo](#)  
[2021 - Budget Presentation](#)

#### ADJOURNMENT

*If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.*

*The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 435-1606 (or TDD 435-1666) for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the*



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 20-00521

City Council

9/2/2020

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### **DISCUSSION ITEM**

**FROM:** City Council President Jewel Cannada-Wynn

**SUBJECT:**

CITY COUNCIL WORKSHOP - FISCAL YEAR 2021 PROPOSED BUDGET

**SUMMARY:**

City Council will hold a workshop to review and discuss the Fiscal Year 2021 Proposed Budget. City Administration, Finance and Department Directors will be available to address concerns and answer questions that Council Members might have. A tentative schedule is attached, understanding that some discussion might go longer and some shorter, so the schedule will be fluid.

It is anticipated that the majority of Directors will be participating via Teams.

**PRIOR ACTION:**

July 13, 2020 - FY21 Proposed Budget released by the Mayor's Office

**STAFF CONTACT:**

Don Kraher, Council Executive

**ATTACHMENTS:**

- 1) FY21 Budget Workshop Memo
- 2) 2021 Budget Presentation

**PRESENTATION:** Yes

# FROM THE DESK OF DON KRAHER COUNCIL EXECUTIVE



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To: Council President, Members of City Council, Mayor, City Administrator & Staff  
From: Don Kraher, Council Executive  
Date: 08-26-2020  
Re: Budget Workshops September 2, 2020

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Council President et al.

Please find below the schedule for the Council Budget Workshops, where Council will have the opportunity to ask questions of Department Heads / Directors related to the proposed FY 21 budget:

## **Wednesday September 2, 2020**

- 4:00** Overview of Process
- 4:15** Financial Services – Budget Brief and Overview
- 4:30** Local Option Sales Tax (LOST) Discussion
- 5:15** Airport
- 5:30** Port
- 5:45** Pensacola Energy
- 6:00** Sanitation Services
- 6:15** Economic Development / Tech Resources
- 6:30** Police
- 6:45** Fire
- 7:00** Planning Services
- 7:15** Inspection Services
- 7:30** Housing
- 7:45** Parks and Recreation
- 8:00** Public Works

## **8:15** Human Resources

The times are tentative as some discussions may take less time while others may take more time. In doing the discussion of LOST IV first, it may answer some of the questions you have for some of the departments.

# FISCAL YEAR 2021 PROPOSED ANNUAL BUDGET



For the year ending September 30, 2021

City of Pensacola, Florida  
Grover C. Robinson, IV, Mayor



# Fiscal Year 2021 Financial Overview

- **FY 2021 Budget Challenges**
  - Ransomware Attack
  - COVID-19 Pandemic
- **General Fund \$1.8 million revenue growth**
- **\$1.7 million Fund Balance appropriated**
- **Retaining \$13.793 million Council Reserves**
- **Balanced budget despite COVID-19 economic impacts**
  - Continued downward trend may require adjustments to FY 2021 Budget after adoption

# Fiscal Year 2021 Financial Overview

- No Millage Rate Increase
- No Rate Increase for Pensacola Energy or Sanitation despite 1.5% CPI increase as prescribed by ordinance
- Sanitation Equipment Surcharge increasing \$1.00 per month for much needed capital
- Bringing Zone 1 and CRA Landscape Maintenance In House
- Bringing Pensacola Energy contract work in house
- Converting seven temporary positions to full-time positions

# WHERE THE MONEY COMES FROM

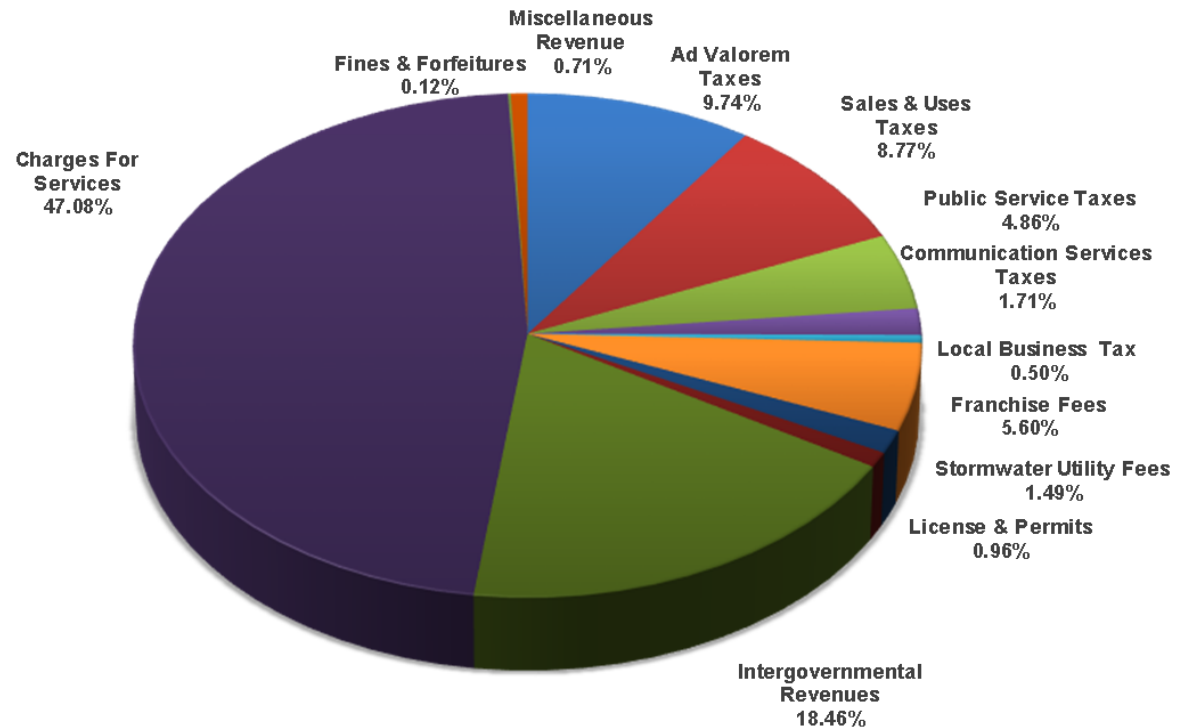
## FISCAL YEAR 2021 BUDGET

### FISCAL YEAR 2021 FINANCIAL SOURCES ALL FUNDS

#### SOURCES OF FUNDS

##### Revenues

Ad Valorem Taxes	\$ 17,890,900
Sales & Uses Taxes	16,099,300
Public Service Taxes	8,917,900
Communication Services Tax	3,148,100
Local Business Tax	915,000
Franchise Fees	10,285,700
Stormwater Utility Fees	2,735,000
License & Permits	1,763,200
Intergovernmental Revenues	33,902,200
Charges For Services	86,449,400
Fines & Forfeitures	228,500
Miscellaneous Revenue	1,299,500
<b>Sub-Total Revenues</b>	<b>\$ 183,634,700</b>
Other Financing Sources	46,355,400
Appropriated Fund Balance	6,005,600
<b>TOTAL FINANCIAL SOURCES</b>	<b>\$ 235,995,700</b>





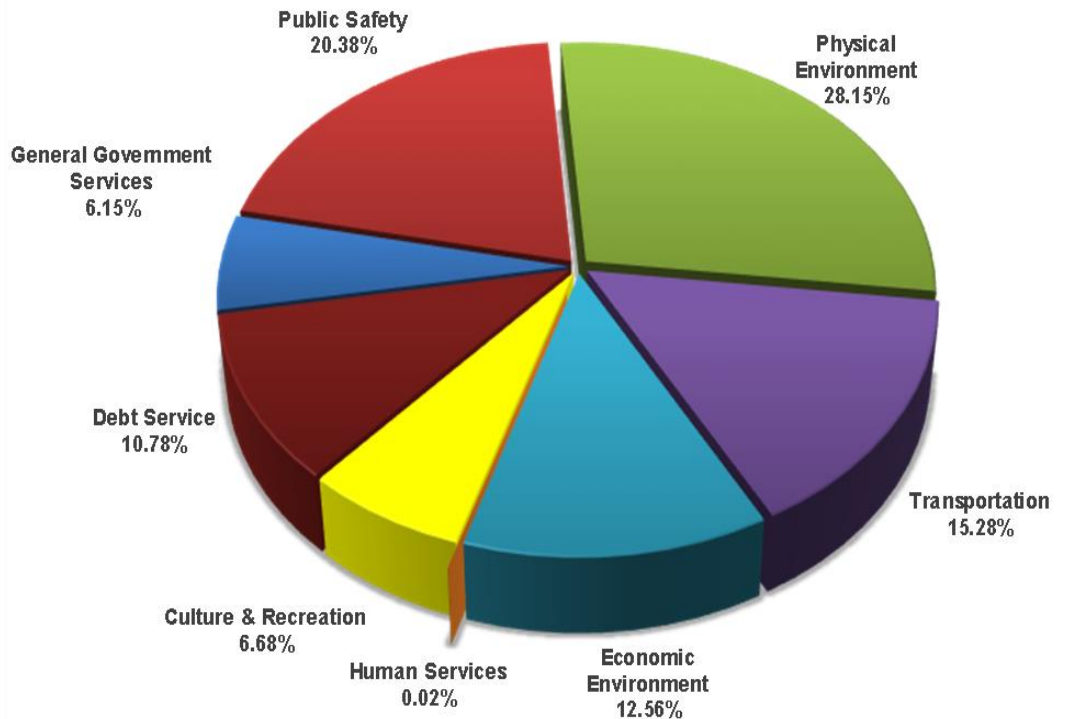
## WHERE THE MONEY GOES FISCAL YEAR 2021 BUDGET

### FISCAL YEAR 2021 USES OF FUNDS ALL FUNDS

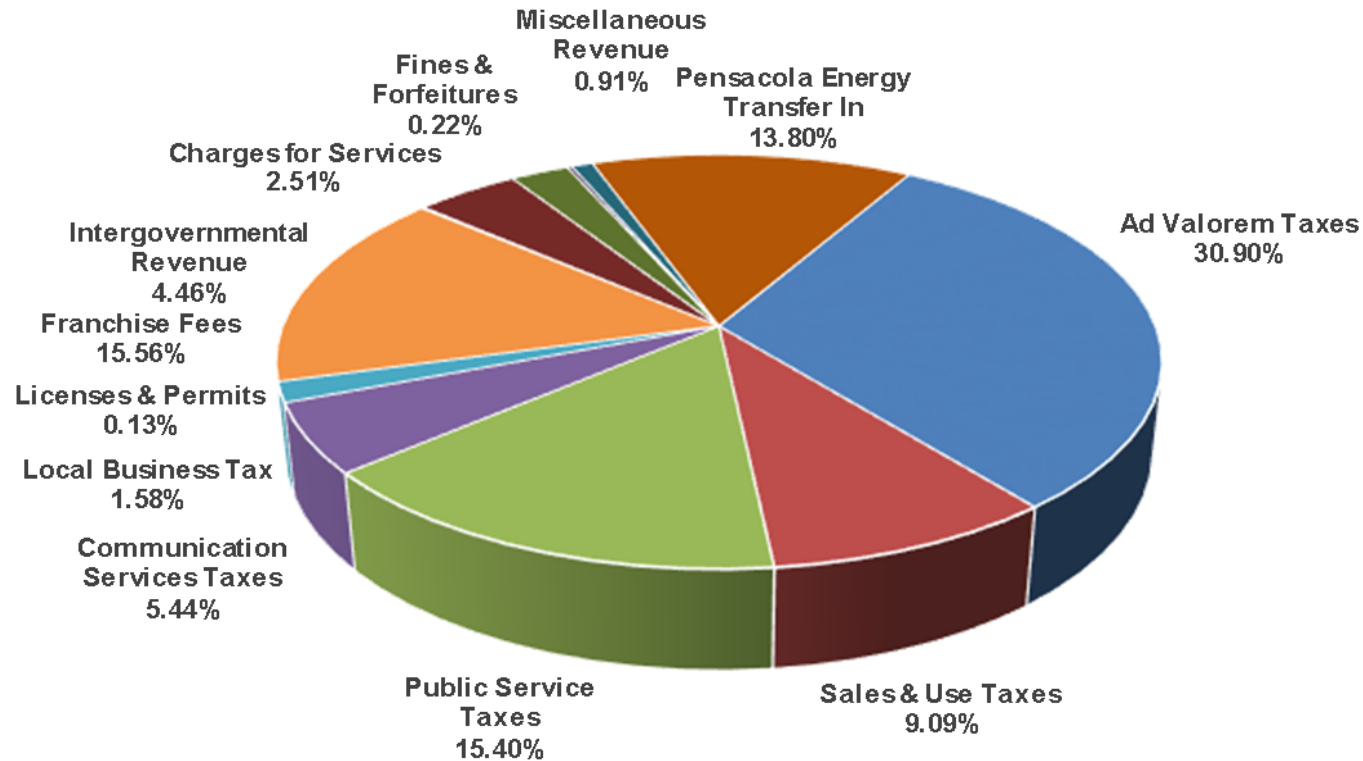
#### USES OF FUNDS

#### Expenditures/Expenses

General Government Services	\$ 11,627,600
Public Safety	38,543,900
Physical Environment	53,247,100
Transportation	28,888,900
Economic Environment	23,748,500
Human Services	30,000
Culture & Recreation	12,639,400
Debt Service	20,387,600
Sub-Total Expenditures/Expenses	<u>\$ 189,113,000</u>
Other Financing Uses	<u>46,882,700</u>
<b>TOTAL FINANCIAL USES</b>	<b><u>\$ 235,995,700</u></b>



## GENERAL FUND REVENUES FISCAL YEAR 2021 BUDGET

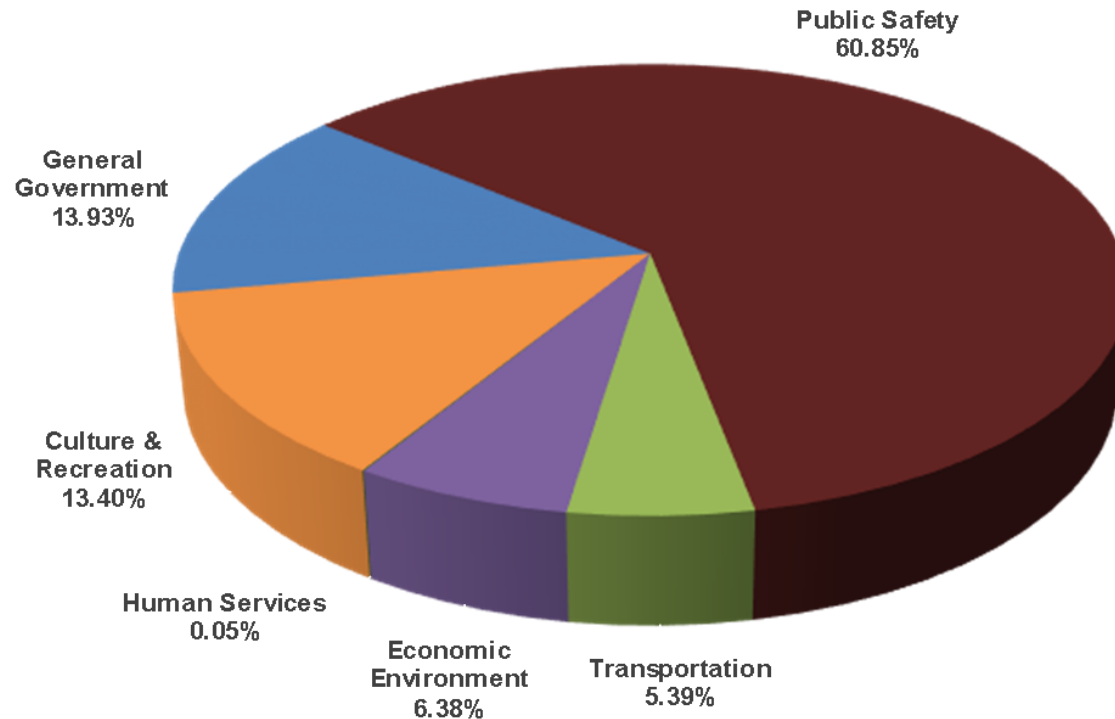


Ad Valorem Taxes	\$ 17,890,900
Sales & Use Taxes	5,262,900
Public Service Taxes	8,917,900
Communication Services Taxes	3,148,100
Local Business Tax	915,000
Franchise Fees	9,008,000
Licenses & Permits	76,000

Intergovernmental Revenue	\$ 2,583,500
Charges for Services	1,452,500
Fines & Forfeitures	128,500
Miscellaneous Revenue	525,000
Pensacola Energy Transfer In	8,000,000

Sub-Total Revenues	<u>57,908,300</u>
Appropriated Fund Balance	<u>1,700,000</u>
Total Financial Sources	\$ 59,608,300

## GENERAL FUND EXPENDITURES FISCAL YEAR 2021 BUDGET



General Government	\$ 7,890,400
Public Safety	34,447,700
Transportation	3,052,600

Economic Environment	\$ 3,612,900
Human Services	30,000
Culture & Recreation	7,589,700

Sub-Total Expenditures	56,623,300
Other Financial Uses	2,985,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 59,608,300</b>

# City of Pensacola

## All Funds

### FY 2020 TO FY 2021 Budget Comparison

	FY 2020 Beginning Budget	FY 2021 Proposed Budget	Difference	Percentage Difference
Personal Services	69,406,500	73,347,500	3,941,000	5.68%
Operating Expenses	88,451,100	83,711,700	(4,739,400)	-5.36%
Sub-Total	157,857,600	157,059,200	(798,400)	-0.51%
Capital Outlay	27,783,900	18,816,200	(8,967,700)	-32.28%
Debt Service	19,379,800	19,087,600	(292,200)	-1.51%
Grants and Aids	1,983,000	1,950,000	(33,000)	-1.66%
Non-Operating	38,086,500	39,082,700	996,200	2.62%
Total	245,090,800	235,995,700	(9,095,100)	-3.71%

# City of Pensacola

## General Fund

### FY 2020 TO FY 2021 Budget Comparison

	FY 2020 Beginning Budget	FY 2021 Proposed Budget	Difference	Percentage Difference
Personal Services	40,585,400	42,461,500	1,876,100	4.62%
Operating Expenses	14,073,700	13,712,700	(361,000)	-2.57%
Sub-Total	<u>54,659,100</u>	<u>56,174,200</u>	<u>1,515,100</u>	<u>2.77%</u>
Non-Departmental Less TIFs	983,100	976,400	(6,700)	-0.68%
Transfer to TIF Districts	2,870,400	3,197,900	327,500	11.41%
Non-Operating	2,985,000	2,985,000	-	0.00%
Allocated Overhead/Cost Rec	(3,774,100)	(3,725,200)	48,900	-1.30%
Total	<u><u>57,723,500</u></u>	<u><u>59,608,300</u></u>	<u><u>1,884,800</u></u>	<u><u>3.27%</u></u>

# **FY 2021 Proposed Budget Highlights**

- **Property Tax**
  - **FY 2021 Property Valuation**
    - **Based on July 1<sup>st</sup> Property Appraiser Valuation – \$4,359,574,250 (6.65% Increase Over Final FY 2020)**
      - **Estimated Revenue To Increase \$1,038,700 Over FY 2020 Beginning [\$1,038,700 - \$327,500 (TIF) = \$711,200 Net Growth]**
        - **\$17,890,900 [(Gross)– \$3,197,900 (TIF) = \$14,693,000 (Net)]**
  - **Millage Rate**
    - **City – 4.2895 Mils (No Increase)**
    - **DIB – 2.00 Mils (No Change)**
  - **Currently 1 Mill Equals \$3,928,700 (Net Mil = \$3,259,500)**
    - **July 1<sup>st</sup> Property Appraiser Valuation – 1 Mil - Gross Equals \$4,170,900 (Net Mil = \$3,252,500)**



# **FY 2021 Proposed Budget Highlights**

- **Property Tax (Continued)**
  - **TIF Districts**
    - **Urban Core (CRA)**
      - **July 1<sup>st</sup> Valuation Increase – 9.65% (FY 2020 – 14.39%)**
      - **Revenue Increase - \$669,200 From FY 2020 Beginning Budget \$6,839,700**
    - **Eastside TIF**
      - **July 1st Valuation Increase – 16.04% (FY 2020 – 26.88%)**
      - **Revenue Increase - \$132,500 From FY 2020 Beginning Budget \$102,100**
    - **Westside TIF**
      - **July 1st Valuation Increase – 27.82% (FY 2020 – 47.28%)**
      - **Revenue Increase - \$177,000 From FY 2020 Beginning Budget \$636,600**

# **FY 2021 Proposed Budget Highlights**

- **Maintain Transfer From Pensacola Energy (\$8,000,000)**
  - **Council Policy**
    - Long term, the budgeted transfer should not be more than 15% of budgeted Pensacola Energy revenues (FY 19 – 15.30%; FY 20 – 15.21%; FY 21 – 16.21% )
- **Discretionary Funds for City Council**
  - **Maintaining \$10,000 per Council Member**
    - Discretionary Funds can be used at the discretion of the council member subject to the Mayor and Finance Director's approval and is for a Public Purpose.
  - **Tree Planting Trust Fund**
    - **No Appropriations**
    - Pending Full Review of Tree Planting Trust Fund Expenditures Per City Council Action at First Public Hearing on FY 2018 Budget.
    - Balance As of May 31, 2020 - \$526,153

# **FY 2021 Proposed Budget Highlights**

- **Pensions**
  - **City-Wide Increase - \$546,490 (\$14,499,600)**
  - **General Pension**
    - **City-Wide – No Change**
  - **Fire Pension**
    - **City-Wide Increase - \$159,300**
  - **Police Pension**
    - **City-Wide Decrease - <\$97,300>**
  - **Florida Retirement System**
    - **City-Wide Increase - \$484,900**

# **FY 2021 Proposed Budget Highlights**

- **Position Changes**
  - **Additional Thirty-Five (35) Positions Since Beginning FY 2020**
    - **FY 2020 Beginning Total Positions - 792**
      - **Executive Branch – 785**
      - **Legislative Branch – 5**
      - **CRA – 2**
    - **FY 2021 Proposed Beginning Positions – 827**
      - **Executive Branch – 822**
        - **FY 2020 – Eight (8) Additional Positions**
        - **FY 2021 – Twenty-Seven (27) Additional Positions**
      - **Legislative Branch – 5**
      - **CRA - 2**

# **FY 2021 Proposed Budget Highlights**

- **Employee Compensation**
  - **Union Agreements**
    - **Fire Union – Currently in Negotiations**
    - **Police Unions**
      - **Police Officer Union – 4% - Year 3 (FY 21) of 3 (FY 21)**
      - **Police Sergeant Union – 4% - Year 3 (FY 21) of 3 (FY 21)**
      - **Police Lieutenant – 3% - Year 3 (FY 21) of 3 (FY 21)**
    - **AFSCME – 4% - Year 3 (FY 21) of 3 (FY 21)**
  - **Non-Union Employees – 3% Budgeted**
  - **Performance Based Pay – 2%**
    - **9195 – Salary Increases (Union)**
    - **9196 – Salary Increases (Non-Union)**

# **FY 2021 Proposed Budget Highlights**

- **Non-Departmental Less TIF's**
  - **Decreasing \$6,700 from FY 2020 Beginning Budget**
    - **Saenger Theatre Innovation & Technology decreasing <\$6,700>**
- **Interest Income**
  - **Due to COVID-19 all Interest Income budgets have been eliminated**



# **FY 2021 Proposed Budget Highlights**

- **Housing Division**
  - **Community Development Block Grant Fund (\$1,137,800)**
    - **Overall Fund Increasing \$89,300 – Federal Funding**
  - **Section 8 Housing Assistance Fund (\$20,072,700)**
    - **Overall Fund Increasing \$1,610,500 – Federal Funding**
- **Inspection Services (\$1,687,200)**
  - **Overall Fund Increasing \$83,300**
  - **Includes one-time expenditure of \$100,000 to remodel Inspection Services area on 5<sup>th</sup> Floor**

# **FY 2021 Proposed Budget Highlights**

- **Gas Utility Fund (\$49,617,900)**
  - **Estimated Revenue decreased by <\$2,982,600> from FY 2020 Beginning Budget**
    - **FY 2021 CPI Increase of 1.5% however no increase is being proposed**
    - **Reduction primarily due to lower gas costs**
    - **Interest Income eliminated - \$200,000 reduction**
- **Sanitation Fund (\$10,404,700)**
  - **Estimated Operating Revenue increased by \$1,025,400 from FY 2020 Beginning Budget**
    - **FY 2021 CPI Increase of 1.5% however no increase is being proposed**
    - **Proposed increase in Sanitation Equipment Surcharge by \$1.00 per month**

# **FY 2021 Proposed Budget Highlights**

- **Sanitation Fund (Continued)**
  - **Sanitation Rate Will Remain at \$25.11 per month**
  - **Sanitation Equipment Surcharge from \$2.04 to \$3.04 per month**
  - **CNG Rebates estimated to be \$500,000**
  - **Additional \$80,200 revenue from Pensacola Energy for advertising on Sanitation Trucks**
- **Code Enforcement Increasing \$32,700**
  - **Commercial Solid Waste Franchise Fee Revenues Increasing \$12,700**
    - **No change in fee proposed**
  - **Code Enforcement Violations Increasing \$20,000**
  - **Code Enforcement Contingency Decreasing \$44,000 (Total Contingency \$74,500)**

# **FY 2021 Proposed Budget Highlights**

- **Port Fund (\$2,456,000)**
  - **Estimated Operating Revenue Increased by \$328,200 from FY 2020 Beginning Budget (Increased Activity at Port)**
  - **Seville Harbor Lease Revenue will move from General Fund to Port Fund \$46,100**
- **Airport Fund (\$29,178,600)**
  - **Estimated Operating Revenue decreased by <\$10,875,800> from FY 2020 Beginning Budget mainly due to COVID-19**
  - **Decrease In Non-Airline Revenues - <\$3,503,900>**
  - **Decrease in Rental Car Customer Facility Charge - <\$1,636,000>**
  - **Increase in Airline Revenues of \$1,465,000**

# Capital Improvement Plan

- Fiscal Year 2021 Stormwater Capital Projects
  - \$2,735,000 (Page 101)
- Fiscal Year 2021 Local Option Sales Tax IV Plan
  - \$10,336,400 (Pages 108-112)

# FY 2021 Proposed Budget

- **Future Dates**
  - **Wednesday, September 9, 2020 – First Public Hearing**
  - **Wednesday, September 16, 2020 – Final Public Hearing**



# FISCAL YEAR 2021 PROPOSED ANNUAL BUDGET



For the year ending September 30, 2021

City of Pensacola, Florida  
Grover C. Robinson, IV, Mayor